



Rhode Island  
Economic Development Corporation

**Small Business Advocacy Council  
Tuesday, January 29, 2013  
8:30 – 10:00AM**

RI Economic Development Corporation  
Narragansett Conference Room  
315 Iron Horse Way, Providence, RI

**MEETING MINUTES**

**Attendance**

Lt. Governor Elizabeth H. Roberts  
Secretary of State Ralph Mollis  
J.R. Pagliarini  
Senator Joshua Miller  
Mark Hayward  
Ray Fogarty  
Adriana Dawson  
Mark Deion  
Gary Ezovski  
Miriam Ross  
Leslie Taito  
Stephen Boyle  
Kelly Carello  
Claudia Cardozo  
Sherri Carrera  
Matt Weldon  
Carmen Diaz-Jusino  
Bill McCourt  
Cap Willie  
Herb Weiss  
Robert Catanzaro  
Maria Tocco  
Vlad Ibarra

**Opening Remarks**

Chair Roberts expressed that 2013 seemed to be the year that Economic Development will take the front seat as issues have been identified by different stakeholder groups engaged in continuing to improve Rhode Island's economy. Governor Chafee's budget was a step in the right direction lowering skill gaps by improving education and proposing to lower the corporate tax rate and improve state infrastructure. Both of the economic summits held by the Senate and the House of Representatives focusing on small businesses as well as the "Moving the Needle" report issued jointly by the Rhode Island Senate and RIPEC, will improve our competitiveness rankings nationwide. All these interconnected efforts are trying to address gaps and opportunities in Rhode Island.

Chair Roberts went on to discuss the subcommittee chairs and their work plans either through legislative initiatives, or regulatory changes heralded by the Office of Regulatory Reform or through the efforts of the Resources and Retention workgroup to continue the updating and usage of the “Every Company Counts” online resources for small business in new reiterations between the Office of the SOS and the EDC. Moreover, Chair Roberts highlighted the importance of the private sector in all these efforts. Hence the RI Foundation’s presentation on their findings and plans going forward to push the Rhode Island economy through different initiatives.

Secretary of State Ralph Mollis felt cautiously optimistic that according to the business statistics fewer corporations were going out of business and more were being established as compared to last year. According to the statistics, there are tangible signs that entrepreneurs continue to be optimistic about the economy. For instance, last year 7,121 new business entities registered with the SOS, the most since the Great Recession officially began in 2008. The SOS tracks annual business filings because mostly new formed business entities in Rhode Island choose a corporate structure that requires registering with them. 2012 also marked the first time there were two consecutive years of growth since 2006-2007. Moreover, registrations were up 4 percent last year compared to 2011, which was up 1 percent compared to 2010. And for the first time since 2005-2007, there were three straight years of growth in any corporate legal structure classification. The number of newly formed limited liability companies hit 4,479 in 2012, up from 3,984 when the streak began. SOS Mollis went on to announce that the Business Expo this year will take place on September 10<sup>th</sup>.

J.R. Pagliarini, the new Chief of Staff at the RI EDC provided a brief overview of his role. Mr. Pagliarini brings 30 years of experience in all three levels of government -federal, state, and local-in strategic planning, organizational development, government relations, policy development, marketing communications, program evaluation and performance management. This experience gives him great insight into the needs of our state’s largest employers as his primary role for now will be to restore public confidence and motivate the very talented staff at the agency. He discussed some of the current changes including the newly assembled customer service team that will be reaching out to small businesses and the collaboration with RIPEC to provide business related legislative tracking on the EDC website.

## **Sub-committee Updates**

### ***Legislation***                      *Senator Joshua Miller / Mark Hayward*

Mr. Hayward expressed that most of the legislative gains were part of regulatory reform with changes to the fire code and updating duplicative language among others. The subcommittee had a spirited discussion in regards to “Biweekly Pay” and the different proposals making their way in both chambers. For instance, Senator Miller will embrace a long-term industry scale program and there is expectation that bills submitted last year will be reintroduced, including one that will create a permanent mechanism within the Department of Labor and Training for company sectors.

The subcommittee will continue monitoring legislation as bills continue to be introduced and will convene accordingly.

### ***Regulations***                      *Gary Ezovski / Leslie Taito*

Mr. Ezovski echoed the sentiment that regulatory reform saw the biggest gains in the last general assembly session with changes to the physical alterations process and elimination of duplicative language among others. He went on to discuss the 2013 Regulatory priorities of the SBA Economic Summit Regulations Subcommittee. These included:

- Assuring that support continues for establishing an electronic building permit system, as well as continued support for ongoing review of regulations that the legislature initiated.

- Reducing biweekly pay restrictions, perhaps lifting that restriction from technology, bio-med, and defense-based industries as a first step.
- Providing holiday flexibility for either Victory Day, Columbus Day and/or Veteran's Day so that manufacturing and construction industries are strengthened by the process.
- Increasing the apprenticeship opportunities in new fields, allowing emerging business initiatives to develop the talent they need.
- Depending on what the new health exchange actually does (and doesn't do) there may be still be a need to address our national leadership position in health care mandates.
- Make it possible for Minority and Women Owned Businesses to self-certify as they can in 48 other states.
- Repeal or repair the alcohol beverage sales tracking measure that was part of the budget last year.
- Encourage the creation of a mutual aid system in local and state permit process management so progress can continue when inspectors are ill or on vacation.
- Stop cities and towns from establishing regulations that exceed those promulgated by DEM.

Ms. Taito provided an overview of the Regulatory Review and E-permitting including additional resources/staff that the Office of Management and Budget is leveraging. They are 30 days into the second phase of the regulatory review process and doing a look-back she could see 10 departments with 100% compliance.

There was a question from the members as to how would the agency incorporate it so that it gets done on a regular routine basis going forward. Ms. Taito explained that through a process of reporting and recommendation regulations will be either repealed or amended, and/or agencies themselves will make changes to internal policies.

Mr. Hayward raised a question in regards to roadblocks with the statewide permit process including state agencies not fully complying, including the Rhode Island Department of Health and the Department of Business Regulations. Ms. Taito stated that the Office of Regulatory Reform will ramp it up again as this is a requirement and they will continue to advocate. Also, in regards to E-permitting, Ms. Taito explained to the membership that they will perform a gap analysis with the State Building Inspector and the Fire Marshal Office who are currently unable to accept electronic drawings. Ms. Taito used the opportunity to commend the Rhode Island Foundation for securing funding for hardware/software electronic needs of these agencies.

### ***Resources & Retention***      *John Gregory / Stephen Boyle*

Mr. Boyle discussed a workforce bill introduced by Representative McNamara "Back to Work Program" the legislation seeks to address the concerns of both the unemployed and employers by allowing individuals to continue to collect unemployment benefits while they take part in an approved, unpaid training program with a qualified Rhode Island employer. The legislation tries to address the skills gaps and that employers are hesitant to invest in training if there is a risk the investment will not result in a qualified and skilled employee.

Mr. Boyle went on to discuss the ongoing efforts to continue using the former "Every Company Counts" web resource.

### ***Making It Happen RI Findings*** *Neil Steinberg, Rhode Island Foundation*

Lt. Governor Roberts introduced Neil Steinberg, President and CEO of Rhode Island Foundation since 2008. Mr. Steinberg had a distinguished thirty-year career with Fleet Bank Rhode Island culminating in position of Chairman & CEO and was Vice President of Development for Brown University. In 2011 the Providence Business News named him one of the 25 Driving Forces in Rhode Island's business community over the past 25 years.

Mr. Steinberg discussed how the “Make It Happen Rhode Island” gathering was a two-day brainstorming session with over 300 individuals from all walks of life except elected officials. Some of the overarching themes that developed were: job creation, closing the skills gaps, better connect the unemployed with existing job opportunities, address specific barriers to success and promote Rhode Island internally and externally. The Rhode Island Foundation is committing \$1 million at their discretion to accelerate, initiate or amplify efforts in those areas.

Mr. Steinberg continues to advocate to focus on existing industries such as manufacturing, food, healthcare and jewelry as well as emerging industries such as medical services, cybersecurity and medical advices. He went on to discuss how we should build a nursing sciences building in the Jewelry District to house the RIC and URI nursing schools and do a better job of utilizing the eleven colleges and universities to provide a wider range of educational opportunities while leveraging private sector investment and create construction jobs. Moreover, he discussed the leadership void in the small business community with many voices unable to come together for unified goals except perhaps for pension reform. Lastly, he mentioned the long-term goals of the Rhode Island Foundation to lower unemployment, raise the income level of Rhode Islanders to mirror our neighbors in Massachusetts and Connecticut and close the educational gap.

#### **Next steps**

*Lieutenant Governor Roberts*

The subcommittees will continue to meet before we convene again as the full council in May. The meeting was adjourned at 9:58 a.m.

#### **Next Meetings:**

- May 7
- September 17
- December 3